



DEPARTMENT: NC DHHS Privacy and Security Office	POLICY NAME: HIPAA Hybrid Entity Designation
PAGE: 1 of 3	REPLACES POLICY DATED: None
EFFECTIVE DATE: 03/25/19	ORIGINAL EFFECTIVE DATE:
REVISED DATE:	APPROVED DATE: 03/22/19
APPROVED BY: Pyreddy Reddy, CISO; Sam Gibbs, Deputy Secretary IT Operations	

SCOPE:

This policy establishes guidelines for the proper use of the hybrid entity designation for NC DHHS Divisions and Offices as defined by the HIPAA Privacy Rule and Security Rule Standards.

DEFINITIONS:

Hybrid Entity- a single legal entity that is a covered entity, performs business activities that include both covered and noncovered functions, and designates its health care components as provided in the Privacy Rule.

Covered Entity- a health plan, health care clearinghouse, or a health care provider who electronically transmits any protected health information (PHI) in connection with transactions that include medical, billing payment, or insurance coverage for which HHS has adopted standards.

Protected Health Information (PHI)- Any individually identifiable health information, including genetic information and demographic information, collected from an individual that is created or received by a covered entity.

Healthcare Component- NC DHHS Divisions and Offices that operate as a healthcare plan, a healthcare provider, or healthcare clearing house that use, create, or disclose protected health information (PHI).

PURPOSE:

To facilitate NC DHHS agency compliance with the Health Insurance Portability and Accountability Act (HIPAA) Standards for Privacy Standards, HIPAA Security Standards, 45 CFR Parts 160, 45 CFR Parts 164, components of the American Recovery and Reinvestment Act (ARRA), and other federal regulations.

POLICY:

NC DHHS Divisions and Offices performing both covered and non-covered functions, is permitted to designated as a hybrid entity under the HIPAA Privacy and Security Standards. The health care components of DHHS agency, including all business associate functions, must comply with all the requirements of the HIPAA Privacy and Security Standards. Only the healthcare components of a



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hybrid entity are subject to HIPAA. The non-health care components of the hybrid entity are not covered by the HIPAA Privacy Standards.

PROCEDURE:

1. The NC DHHS Privacy and Security Office (PSO) will utilize the HIPAA Coverage Determination and Impact Questionnaire to evaluate NC DHHS Divisions and Offices for determination of HIPAA coverage and HIPAA privacy and security impact.
2. Designate NC DHHS Divisions and Offices as a hybrid entity.
 - a. The Privacy Official and/or Security Official must reflect such designation in written documentation before NC DHHS may take advantage of the hybrid entity status.
 - b. Each non-covered function must be documented.
 - c. Hybrid entity documentation must be retained for at least six (6) years.
3. Operationally, NC DHHS Divisions and Offices must segregate all covered functions from the non-covered functions.
 - a. Where possible, staff and office space should be segregated. If staff is not segregated, the staff must not use or disclose protected health information (PHI) created or received during their work for the health care component in a manner prohibited by the Privacy Standards.
 - b. Reasonably ensure information collected by the non-covered component is not filed or electronically intermingled with the designated record set.
 - c. Reasonably ensure information collected by the covered component is not filed or electronically intermingled with information collected during non-covered functions. If the information is intermingled, PHI must never be accessed by the non-covered component.
 - d. Ensure information is not shared between the covered healthcare component and the non-covered component without a Memorandum of Agreement/Understanding (MOA/MOU). Please refer to the DHHS MOA/MOU form/template.



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REFERENCES:

- Health Insurance Portability and Accountability Act (HIPAA), Standards for Privacy and Security of Individually Identifiable Health Information 45 CFR Part 164, Section: 164.504(a-c)
- American Reinvestment and Recovery Act of 2009
- NC DHHS HIPAA Coverage Determination and Impact Questionnaires Guidelines
- Memorandum of Agreement/Understanding (MOA/MOU) form/template